GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:5059
ANSWERED ON:29.04.2008
RESENTMENT OF SMALL SHOPKEEPERS AGAINST FDI IN RETAIL
Prasad Shri Hari Kewal;Thummar Shri Virjibhai

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether there is resentment among the small shopkeepers on the entry of MNCs and foreign investment in retail markets and shopping malls in the country;

(b) if so, the reasons therefor;

(c) whether the Government has received a number of representations from the small shopkeepers during the last three years in this regard;

(d) if so, the details thereof; and

(e) the action taken by the Government in this regard alongwith the outcome thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY(SHRI ASHWANI KUMAR)

(a) to (d): Government has received a number of representations against permitting Foreign Direct Investment (FDI) in retail trade from various industry associations, including small scale industry and retail traders. List of representations is at Annex.

(e): As per extant policy, no Foreign Direct Investment (FDI) is permitted in retail trading, except Single Brand Retail trading.Government has instituted a study to assess the impact of organized retailing on unorganized retail trade through Indian Council for Research on International Economic Relations (ICRIER). Government has also commissioned a study to the National Council of Applied Economic Research (NCAER) on Growth linkages of Foreign Direct Investment (FDI) in India which would focus on the impact of FDI on rural economy. The final reports are yet to be submitted by these organisations.